(b) if so, the terms of reference and composition of the Committee;

(c) the date by which the Committee has been asked to submit its report; and

(d) steps taken to reduce duplication in operations of the two Corporations?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) to (d) No, Sir. However, in the context of the ongoing decanalised regime, an exercise for the reorganisation of work rataionalisation of STC & MMTC has been initiated with a view to prevent overlap of functions to the extent feasible in both the Corporations; to achieve a wider geographical coverage in the trading activities as well as to provide an intensive thrust towards exports of defined non-canalised items.

Government strategy to Increase Trade and Investment flow in the Country

673. DR. Y. LAKSHMI PRASAD; Will the Minister of COMMERCE be pleased to state:

(a) the overall Government strategy to increase trade and investment flows into the country; and

(b) the steps taken to build linkages with major trade blocks in the world?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) A number of measures have been taken by the Government to create a freer environment for trade. The new Exim Policy for 1997-2002 has considerably simplified the policy and procedures; imports are being gradually liberalised to facilitate availability of raw materials and inputs to the export sector besides widening and modernising the indigenous production base; country specific initiatives have been undertaken to promote trade; Export Promotion Industrial Park Scheme has been implemented to support the State Government in their export promotion effort; an India Brand Equity Fund has been created to create a good image for Indian products abroad; interactive discussions with Export Promotion Councils, Commodity Boards and trade and industry are held to boost exports; interest rate on export credit has been reduced and it has been decided to set up an empowered Export Promotion Board to resolve problems facing exporters expeditiously.

In order to raise investment flows the investment limits by individual Flls/sub accounts for FIIs in the total issued capital of individual companies has been raised from 5% to 10% subject however to investment by all FHs/NRIs/OCB in the aggregate being limited to 24% of the issued capital of the company. The limit of 24% has also been raised to 30% subject to (a) approval by the Board of Directors of the Company and (b) a Special Resolution passed by the General body of the Company to the enhanced limit of 30%. FIIs have been broad based through inclusion of university funds, endownment funds, charitable trusts/societies with a track record. FIIs have also been permitted to invest in unlisted companies with a view to attracting such investments.

(b) Among others, India has played a constructive role in the Indian Ocean Rim initiative which seeks to promote closer economic cooperation in the Indian Ocean region. Operationalisation of SAPTA (South Asian Preferential Trade Agreement) is another step in this direction and it is now proposed to achieve a South Asian Free Trade Agreement (SAPTA) by the year 2001.

Proposal to Start Coffee Processing Industry in Punjab

674. SHRI IQBAL SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal to start a coffee processing industry in the State of Punjab by the Coffee Board;

(b) if so, the details thereof;

(c) if not the reasons therefor; and

(d) the steps being taken or proposed to be taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) to (do) No, Sir. The Coffee Board does not undertake commercial